

IASBO 2019

Teachers Retirement Fund
My Choice: Retirement Savings Plan



Who participates in INPRS?

**473,000+ Members from
over 1,200 Public Employers**

Employers include...

- State of Indiana
- Cities
- Towns
- Counties
- School Corporations
- Universities

Funds covered under INPRS:

- Public Employees
- **Teachers Retirement**
- 1977 Police Officers' and Firefighters'
- Judges' Retirement System
- State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers'
- Prosecuting Attorneys' Retirement
- Legislators' Retirement



TRF My Choice Retirement Savings Plan

What we'll talk about today:

- What is TRF My Choice?
- Participation
 - Employee
 - Employer
- Plan administration & ERM Update





TRF My Choice Retirement Savings Plan

- A Defined Contribution ONLY plan
- Offered through PERF since 2013
 - State employees since 2013
 - Political Subdivisions since 2016
- TRF My Choice – House Enrolled Act 1001
 - IC 5-10.4-8
 - 35 IAC 14.1
 - Effective July 1, 2019



TRF My Choice Retirement Savings Plan

Employer Participation

- TRF Employers Required to Participate
 - Indiana Public Schools
 - State of Indiana
- Excluded from Participation
 - Charter Schools
 - Innovation Schools
 - Turnaround Schools

TRF My Choice Retirement Savings Plan

- Defined Contribution ONLY plan
- Allows members to fully vest at 5 years
- Available only to new TRF members after 7/1/2019
- Includes members previously covered in PERF Hybrid, PERF My Choice, PARF, PF77, JU, EG&C, LEDC
- Excludes retired members of PERF and TRF
- Members have 60 days from date of hire to choose a plan: TRF Hybrid or TRF My Choice



TRF My Choice Retirement Savings Plan

Onboarding

- Member will receive Welcome Letter from INPRS with instructions for logging into their account to make a plan election
- 60 day window – irrevocable election
- Default to TRF Hybrid, if no election is made by the 60th day after the hire date



TRF My Choice Retirement Savings Plan

Contributions

Mandatory contributions

- 3% fixed contribution
- Funded by the employer
- Fully vested

Normal Cost contributions

- Funded by the employer
- Determined by Board
- Vested over 5 years
- Amount vested is determined by years of participation

TRF My Choice Retirement Savings Plan

Vesting in the normal cost contribution is based on years of participation:

- 1 year = 20%
- 2 years = 40%
- 3 years = 60%
- 4 years = 80%
- 5 years = 100%

Full vesting occurs at 5 years of service

A Full year of participation is based on employer reporting 120 days of service in a school year OR employer reporting 60 days of service in each of 2 school years



TRF My Choice Retirement Savings Plan

- Money Market Fund
- Stable Value Fund
- Fixed Income Fund
- Inflation-Linked Fixed Income Fund
- Large Cap Equity Fund
- Small/Mid Cap Equity Fund
- International Equity Fund
- Target Date Funds: 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055, 2060. Default fund for new members.

NOTE: Allocations must be made in whole increments of 1% or more among the investment options. Total for all fund investments must equal 100%.

Allocations can be changed daily online by using PERF Online or by calling toll-free (844) GO-INPRS.





TRF My Choice Retirement Savings Plan

Retirement Benefit Options

- Lump Sum
- Purchase a lifetime annuity
- Rollover to another financial company

TRF My Choice Retirement Savings Plan

Forfeitures

- Forfeitures occur only
 - Upon distribution after separation of service
 - Death
 - RMD qualification
- Transfer of employer will not cause a forfeiture
- For example:
 - Member with 2 years of participation separates service but does not apply for a distribution – no forfeiture occurs
 - Member with 2 years of participation separates from service and takes a distribution - 60% of Normal Cost contributions will be forfeited





TRF My Choice Retirement Savings Plan

- TRF My Choice for Employers
- Plan Administration and ERM Update



TRF My Choice Retirement Savings Plan

- **Mandatory Contribution**

- 3% of salary, contributed to the members account. Paid by employer for members who elect TRF My Choice.

- **Normal Cost**

- A variable rate, set by the INPRS Board, the employer contributes to a member's account in which they vest at a rate of 20% per year of participation.

- **Supplemental Cost**

- Employer contribution to pay down the Unfunded Liability for TRF Hybrid members.



TRF My Choice Retirement Savings Plan

- Employer must pay member 3% contributions for all members in My Choice
- All employers will pay same Normal Cost % for members in My Choice – 5.3%
- All employers will pay the same Supplemental Cost % for members in My Choice – 0.2%
- Combined Normal and Supplemental Cost % will match TRF Hybrid ER Share – 5.5%

Note: HEA 1001 appropriated \$150,000,000 from the state general fund to the TRF 96 account to reduce the employer contribution rate to 5.5% effective July 1, 2019 – June 30, 2020.



TRF My Choice Retirement Savings Plan

W&C Reporting

- While undecided, report only wages (regular, FSP, and severance) & service days
- ERM validations will confirm a member's plan election
- After election, employer will be required to pay all contributions from date of hire to current payroll
- ERM will calculate and assess amounts

TRF My Choice Retirement Savings Plan

ERM – Member Maintenance

- Bulk Enrollment – Plan Election may be made after the enrollment file is uploaded and before completing the enrollment process.
- Online Enrollment – Plan Election may be made while completing the online enrollment.





TRF My Choice Retirement Savings Plan

ERM – Member Maintenance (2)

- Exception Queue – Plan election may be made through the My Choice Exception Queue available from the Home Dashboard.
- Modify Member – A new My Choice tab shows which plan a member elected and when the election was made or when the member defaulted to the Hybrid Fund.



TRF My Choice Retirement Savings Plan ERM - Wage & Contribution

- Submission Reports Summary Screen – Fields have been added to show total Normal and Supplemental Costs
- Process for Payment Screen – There are now columns for Pre-96, My Choice, and Hybrid totals. The Assign Payments section is also separated in the same way.

TRF My Choice Retirement Savings Plan

ERM - Wage & Contribution (2)

- Pending Transaction Reports – If any amounts show in the Retro Contributions Line Items, there is a link to a report which shows the member details. There is a separate report for members who are still undecided and those members who have made an election and payments are now required.



TRF My Choice Retirement Savings Plan

ERM - Wage & Contribution (3)

- Summary & Payment Reports – Additional line items have been added to show the total amount paid for Normal and Supplemental costs as well as the current Hybrid Share.
- Detail Report – Additional fields have been added to the Detail Report to indicate by member whether Normal and Supplemental Costs or Hybrid Employer Share were paid.

TRF My Choice Retirement Savings Plan

ERM – Employer Reports

- Recent Member Election Report
 - Lists Total My Choice and Hybrid contributions due now for members who have made an election since the last report was paid
 - Lists Total My Choice and Hybrid contributions due for all members who have not yet made a plan election



ERM – Documentation

- <https://www.in.gov/inprs/erm.htm>
- Updates will be posted prior to July 1
 - Quick Reference Guides
 - Manuals
 - Tutorials
- Communications will be posted in ERM and sent through email after the updated documents are posted.



ERM Reminders

- Timely Enrollments
 - 60 day window for new TRF members
 - Enrollment must be timely in order to allow the members adequate time for decision-making.
- Social Security Number
 - Verify SSN is accurate
 - If a member with the same name and DOB but different SSN is already enrolled you will receive a pop-up to confirm this is the same member. If so, do not continue prior to confirming the SSN.
 - If an SSN is incorrect, do not re-enroll with the correct SSN. Contact EPPA for an SSN change prior to completing the enrollment.

ERM Reminders (2)

- W&C Due Dates
 - W&C Reports are due on the payroll date
- Penalties
 - Begin on the 38th day after the payroll date
 - \$100 per calendar day
- Habitually Late
 - Subject to having state funds intercepted by INPRS

ERM Reminders (3)

- Missing Member
 - 30+ days
 - Report on the Home Dashboard
 - 60-90 days
 - In the Exception Queue for resolution, can enter Termination Life Events from the Exception Queue
 - Must go to Modify Member for other Life Event entry
 - 90+
 - In the future, will impact ability to submit W&C reports

Employer Pension Plan Administration Team Contact Information



Web site:
www.INPRS.in.gov

e-mail:
eppa@inprs.in.gov

Phone:
(888) 876-2707 (toll-free)

